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ENVIRONMENTAL
PROTECTION AGENCY

JAN 25 2010

MONTANA OFFICE

January 21, 2010

Re: Butte Mine Flooding Consent Decree – MRI Future Remediation Claim Escrow Annual Report

Dear Parties:

This Annual Report is made on behalf of Montana Resources, Inc. ("MRI") to conform to the Order entered by the United States Bankruptcy Court for the Southern District of Texas, Case No. 05-21207, In re: ASARCO LLC, et al., Debtors on December 27, 2007 approving the Partial Settlement Agreement Regarding The Silver Bow Creek/Butte Superfund Site and Butte Mine filed on December 3, 2007 ("Settlement Agreement"). By Order dated April 17, 2008 the United States District Court for the District of Montana approved the Settlement Agreement. In accord with the Settlement Agreement MRI reports the following:

1. On December 9, 2009, MRI received a distribution on the MRI Future Remediation Claim in the amount of Ten Million One Hundred Fourteen Thousand Seven Hundred Nine Dollars (\$10,114,709.00) from the Plan Administrator ("Claim Payment").
2. In January 2010, MRI established an escrow account at First Interstate Bank, 101 E. Front Street, Missoula, Montana 59802, for the sole purposes of holding and distributing proceeds of distributions on the MRI Future Remediation Claim. The escrow account has identification #7269947 ("Escrow Account").
3. In January 2010, MRI deposited the Claim Payment into the Escrow Account.
4. No amounts from the Claim Payment were disbursed in 2009.

Please contact me if you would have any questions concerning this Annual Report.

Very truly yours,

DATSOPOULOS, MacDONALD & LIND, P.C.


Rebecca L. Summerville

RLS/dm

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January 21, 2010

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As to the Settling Federal Agencies:

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January 21, 2010

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